

CENTRAL INTELLIGENCE AGENCY

REPORT

## INFORMATION REPORT

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1. The DDR Trade Delegation returned from Moscow on 19 March 1951.

2. [redacted] from the DDR's point of view, the Moscow negotiations had been a fiasco. Although the principal aim of the delegation had been to negotiate the delivery of increased supplies of ferrous and nonferrous metals from the USSR, the opposite result had been achieved. After protracted negotiations, the Soviet representatives had guaranteed the delivery during 1951 of only 185,000 tons of pig iron, rolled metal products and steel, and 45,000 tons of nonferrous metals. Negotiations concerning machinery, wool, synthetic wool, and foodstuffs had proved equally unsatisfactory. Moreover, the USSR had insisted that the Moscow agreement concerning metals be regarded strictly as a reexport agreement (Lohnarbeitsvertrag) and all supplies delivered under the agreement were therefore to be directed to SAG's.

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3. On 20 March 1951, a joint conference of MAI and DAIMA representatives was held to discuss the new situation. The chairman of the conference was Kurt Gregor, formerly of the Landesregierung, who has replaced Canter-Gillmans as one of the two under secretaries to the DDR Ministry of Foreign and Internal Trade (MAI).

4. In an address to MAI employees on 9 March 1951, Gregor stated that his appointment had been made on the direct authority of the SED Politburo, and that it was his task to achieve the complete realization of the Five-Year Plan, in so far as it affected MAI. In the future, MAI would work in closest cooperation with the State Planning Commission to whom it would be directly subordinate. All questions of policy would be decided by Heinrich Rau, and far-reaching changes in the organization of MAI were to be expected.

Comment: The DDR estimated its 1951 crude metal imports from the USSR at 750,000 tons. It seems almost unbelievable that the Moscow negotiations should, from the DDR's standpoint, have been so unsuccessful as to result in the USSR agreeing to supply only 185,000 tons of ferrous metals.

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